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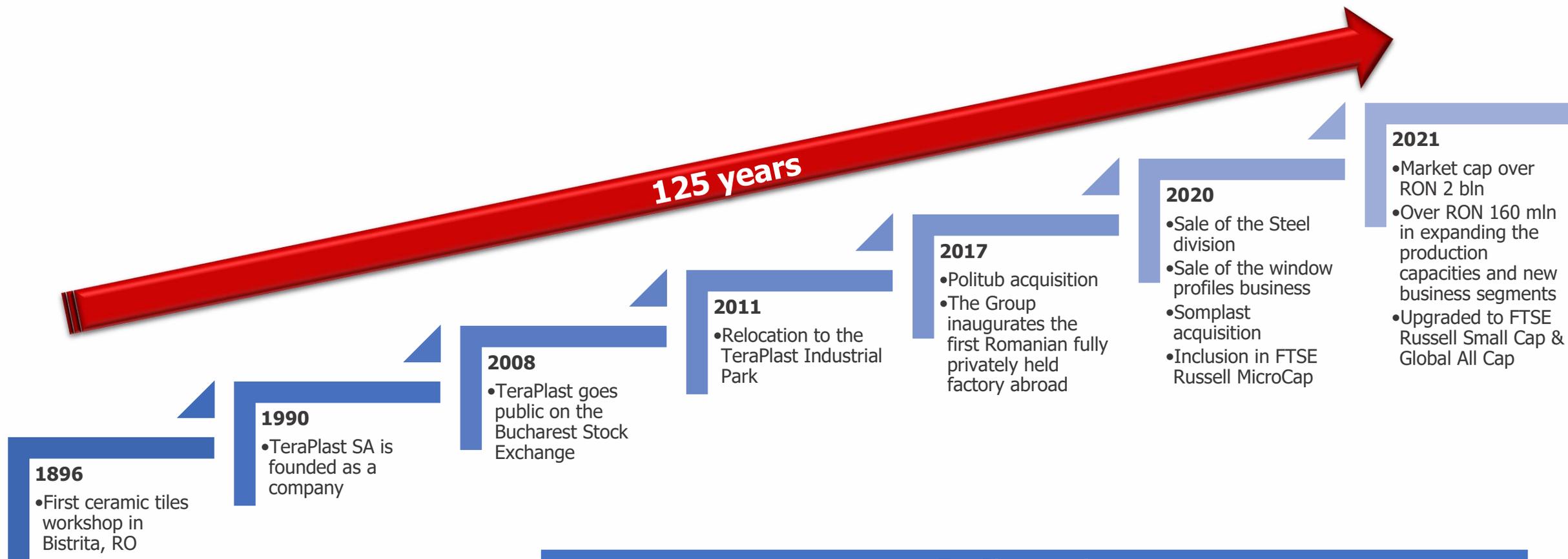
TeraPlast®

FRONTIER INVESTOR DAYS

2nd & 3rd September 2021

- TeraPlast: a performing company
- 2020-2021: adaptation of the strategy
- An ambitious view of the future
- Conclusions





TeraPlast premieres	
Innovation	Uniqueness
<p>First producer of certified polyethylene piping in Romania and the first producer of multilayered PVC pipes for exterior sewerage</p>	<p>The only producer in Romania with a patent to produce multilayered PVC pipes for exterior sewerage (with recycled PVC core)</p>
<p>First Romanian producer of sandwich panels manufactured on a continuous line in Romania (TeraSteel)</p>	<p>The only producer in Romania of HFFR compounds (halogen free, fire resistant)</p>

- > We have distributed **dividends** worth in total RON 226,6 million → 14,2% yield at the medium stock price on the payment date (22.07.2021)
- > We are **the best-performer stock from the BET index** during the first half of 2021 (+123%)
- > **Market capitalization** (01.09.2021): RON 2 bln
- > We will grant **1 free share per each 4 shares held** → ex date 28.09.2021
- > We consistently invest in **sustainable development**: multilayered PVC pipes for exterior sewerage, biodegradable packaging factory, expansion of the processing capacity for the recycling factory, photovoltaic plant.



BVB:TRP Bloomberg: TRP RO	2020	2021
Turnover (RON mln)	396,2	636,2 (B)
Market Capitalization	> 2 bln RON (01.09.)	
Dividends (RON mln)	>45	>226
Gross dividend per share	0,0260 RON	0,13 RON
TRP share yield	+103,5%	+172% (01.09.)



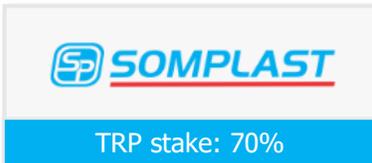
- Leader of the Romanian exterior sewerage market and PVC compounds market in Romania
- 2021 investment plan: EUR 20 mln in expanding the production capacities for interior sewerage, PE-Xa systems and water & gas systems
- Processing capacities of 96.000to of polymers – LEADERS IN CENTRAL & EASTERN EUROPE



- Rigid PVC recycler
- In 2021 we reach a processing capacity of 31.000 tons
- The largest producer of recycled micronized PVC in Europe and among top 5 European rigid PVC recyclers



- We invest EUR 12mln in 2021 in the new factory, equipment and state-of-the-art technology that represent a production capacity of 5.000 t/year
- Biodegradable sacks and bags producer | Biodegradable compounds producer



- Stake acquired in December 2020. Taken over at the end of April 2021.
- Adds to the flexible packaging portfolio by the industrial polyethylene films
- Production capacity of 3.000 t/year



- PVC and Aluminum windows & doors producer
- Over 15 years of experience on the market
- 69% of its turnover is exported to Germany, Austria, Czech Rep., Slovakia, Hungary, Slovenia

We have a diversified structure with multiple synergies under expansion in 2021

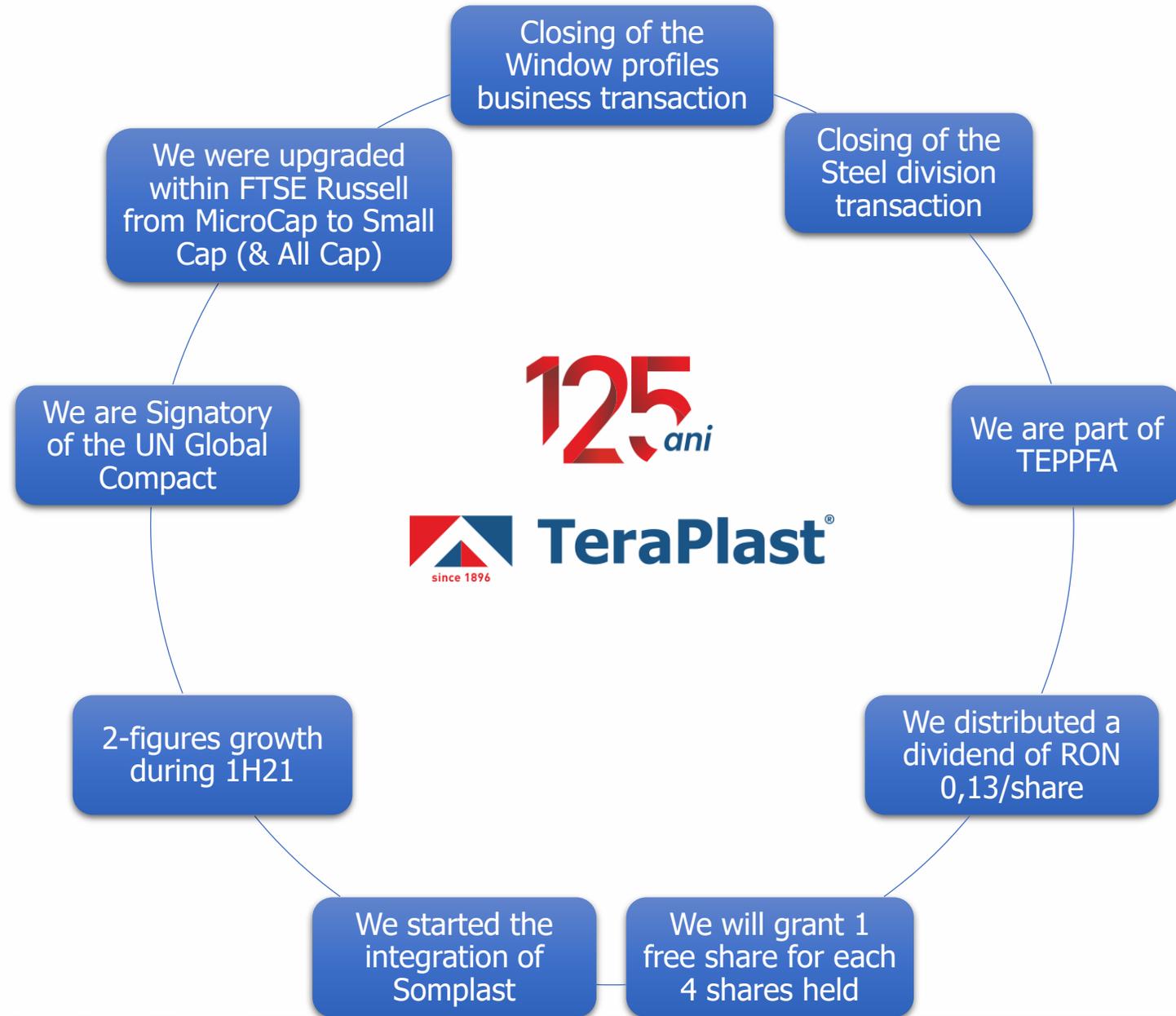
 We are connected to the markets we operate on and the sustainable development trends.

 We have a healthy business model and a strategy that shows its results.

 We believe in reciprocity in relation to our shareholders.

 We perform thanks to our capacity of adapting to the market context and to the raw materials crisis.

 We develop organically, through investments and M&A.





Installation



TeraPlast Industrial Park
Romania

Leader
on the PVC exterior
sewerage market



PVC Compounds

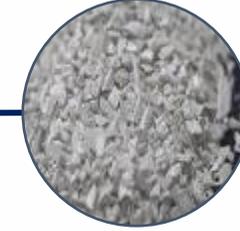


TeraPlast Industrial Park
Romania

Leader
on the Romanian market
with a 34% market share



Rigid PVC recycling



TeraPlast Industrial Park
Romania

The largest producer of
micronized recycled PVC in
Europe.
Top 5 in Europe
as a rigid PVC recycler

Our goal is to be leaders on the markets we activate on



Biodegradable packaging



TeraPlast Industrial Park
Romania

2021 investment

worth 12 mil EUR to become
market leaders by 2022



Polyethylene packaging



Năsăud, Romania

Exporter, adds to the
biodegradable packaging
portfolio



Windows & Doors



Bistrița, Romania

Over 69% annual exports, develops to be
among top 10 producers
in the market

Our goal is to be leaders on the markets we activate on

We save

62 000 tons
of CO2 annually

By the activity of
TeraPlast Recycling

We save

660 tons
of CO2 annually

By generating over
11% of the
necessary energy
through the PV plant

We implement a
**paperless
culture**

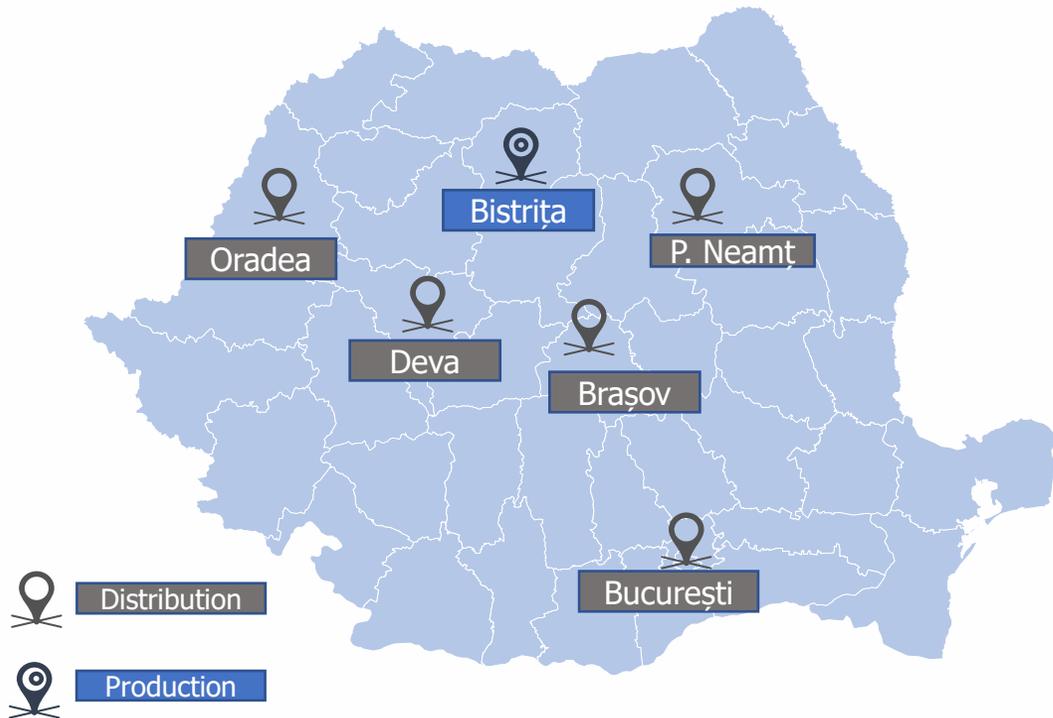
Through automations,
reducing the number of
physical billing and digital
signatures

- We implement best practices in corporate governance to increase our competitiveness on the capital market and bring value to our shareholders and employees (ie. whistleblowing program).
- We permanently monitor the performance of our product portfolio and recipe development; we launch new, improved solutions (biodegradable packaging, PE 100-RC pipes, using recycled PVC in producing PVC pipes)
- Active community involvement through the CSR platform *Building Romania Together* in 3 main areas: Education, Social, Health&Environment.

The CO2 saving are the equivalent of the annual carbon footprint of 15.665 people, more than the population in cities like Nășăud, Sinaia or Vatra Dornei.



Own distribution & production sites



Three production sites: Bistrița, Sărățel, Năsăud

The production activity is backed by the 6 own distribution centers and the large distribution network.

Expansion works

The total production surface of the Group:

- Total surface: 316.849m²
 - Construction: 83.513 m² (production and storage halls)
 - Concrete platforms: 233.335m²

Out of which 13.794 m² are being built in 2021:

- 4.410 m² for the new PE factory
- 4.440 m² for the biodegradable packaging factory
- 4.944 m² of storage space



2020-2021: adaptation of the strategy

2020, the year when TeraPlast Group had the best results and adapted its strategy to benefit from the new market long-term opportunities starting 2021

Strategy

Update of the strategy to benefit from new market opportunities:

- **Accelerating the growth strategy through investments & transactions**
- **Sale transactions**
 - The sale of the Steel division to Kingspan group (TeraSteel & Wetterbest)
 - Sale of the window profiles line
- **New strategic acquisition**
 - We acquired 70% stake in Somplast – polyethylene packaging producer

Operations

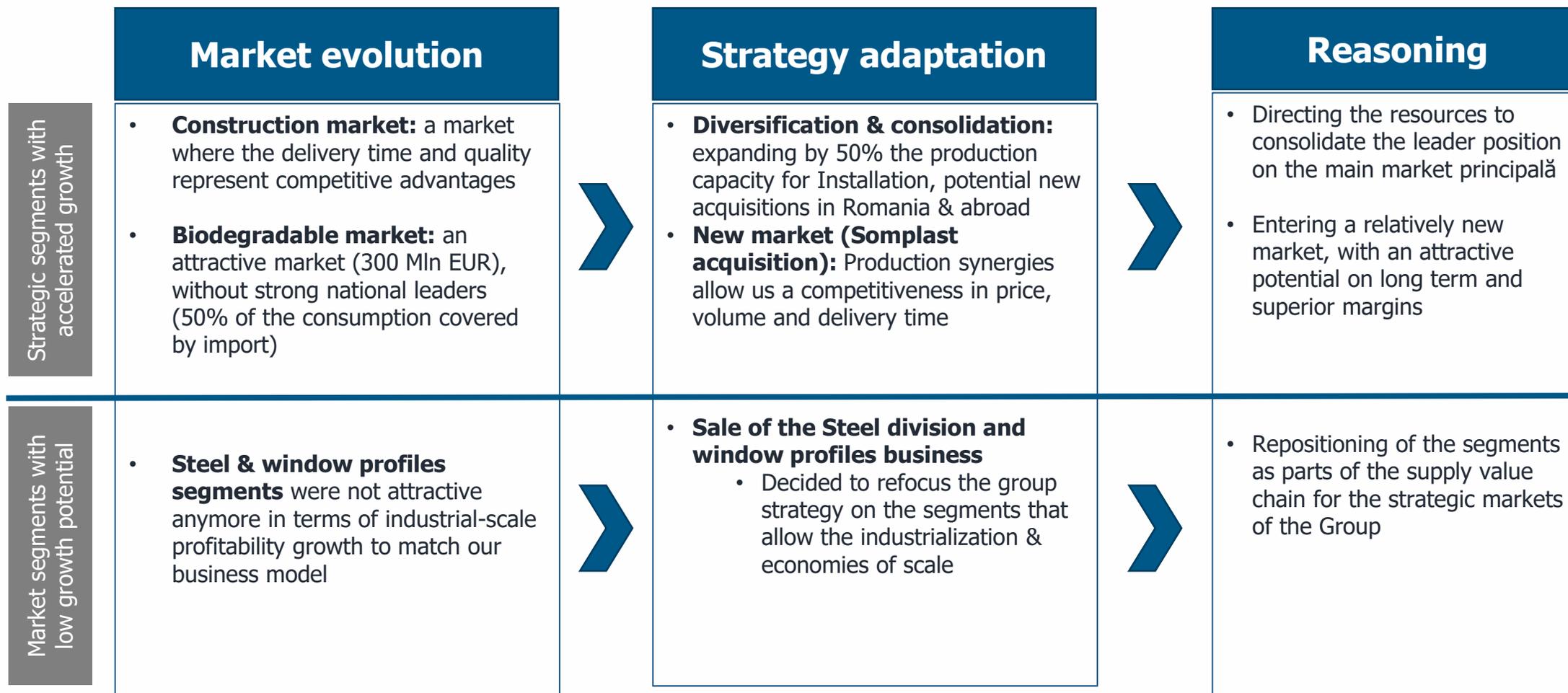
Outstanding operational results at group level:

- **Production**
 - Production volume surpassed the results of the previous year in spite of capacity limitations
- **Increase of production capacity**
 - Started the production capacity expansion projects for installation & biodegradable packaging
- **Capitalization of the non-productive assets**
 - Sale of the Brasov terrain and capitalization of the ones in Bistrita

Finance

Financial position, capital reserves and the investment program allowed the successful start of the strategic repositioning:

- **2020 key figures**
 - +16% increase in turnover
 - +60% increase in EBITDA
- **Investment program**
 - Investments worth EUR 30 mln out of which EUR 14 mln state aid to increase the production capacity
- **TeraPlast share (BSE:TRP)**
 - +103,5% yield
 - 6,2% dividend yield
 - Part of BET & FTSE



Evolution of the production volumes in 2020

		2020	vs. 2019
Pipes (PVC; PP; PE)	MLN	>19,3 mln	+19%
Compounds	T	>17,4 thousand	+15%
Rigid PVC recycling	T	>9 thousand	+19%
Fittings & rotomolded prod.	PCS.	>11 mln	+37%
Windows & Doors	PCS.	>125 thousand	+7%

TeraPlast Group production

- Installation business line reached maximum capacity
- We remain the largest PVC processor in Eastern EU
- We remain the largest compounds producer in the region and the only producer of HFFR compounds in Romania
- TeraPlast Recycling production maintained the PVC production in TeraPlast SA uninterrupted
- TeraPlast is the only patented producer to produce PVC multilayered pipes for exterior sewerage.
- TeraGlass (windows&doors) has the capacities to grow both the volumes and the margin and reach top 10 windows&doors producers in Romania

+100%

NET PROFIT

**77,5
MLN. RON**

(2019: 38,9 MLN. RON)

+16%

TURNOVER

**396,2
MLN. RON**

(2019: 342,9 MLN RON)

+60%

EBITDA

**54,5
MLN. RON**

(2019: 34,1 MLN. RON)

EBITDA MARGIN

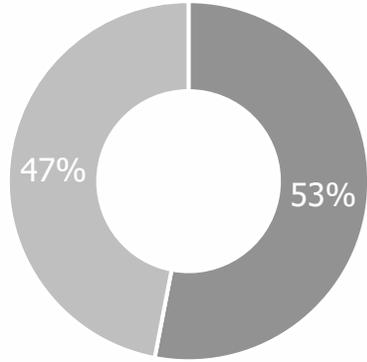
13,7%

(2019: 9,9%)

The investment projects are on track

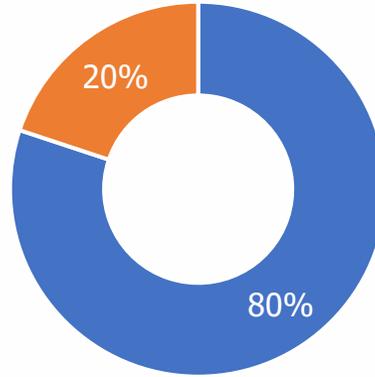


Project contracting in April 2021



■ Signed ■ Unsigned

Project contracting in June 2021



■ Signed ■ Unsigned

Recycling

august
2021

sept
2021

nov
2021

TeraBio Pack

Water & Gas systems
PE-Xa pipes



**Excellent results are maintained
During the first half of 2021**



„With an EBITDA of RON 42,7 million and a margin of 15,7%, at half-year we are on track with reaching the 2021 budget. For the rest of the year, we will have additional positive impact from the commissioning of further investments.”

QUANTITATIVE GROWTH

20,4%

NET PROFIT

+71%

**28,67
MLN. RON**

(1H20: 16,81 MLN. RON)

TURNOVER

+40%

**272,90
MLN. RON**

(1H20: 195,24 MLN. RON)

EBITDA

+47%

**42,74
MLN. RON**

(1H20: 29,04 MLN. RON)

EBITDA MARGIN

15,7%

(1H20: 14,9%)

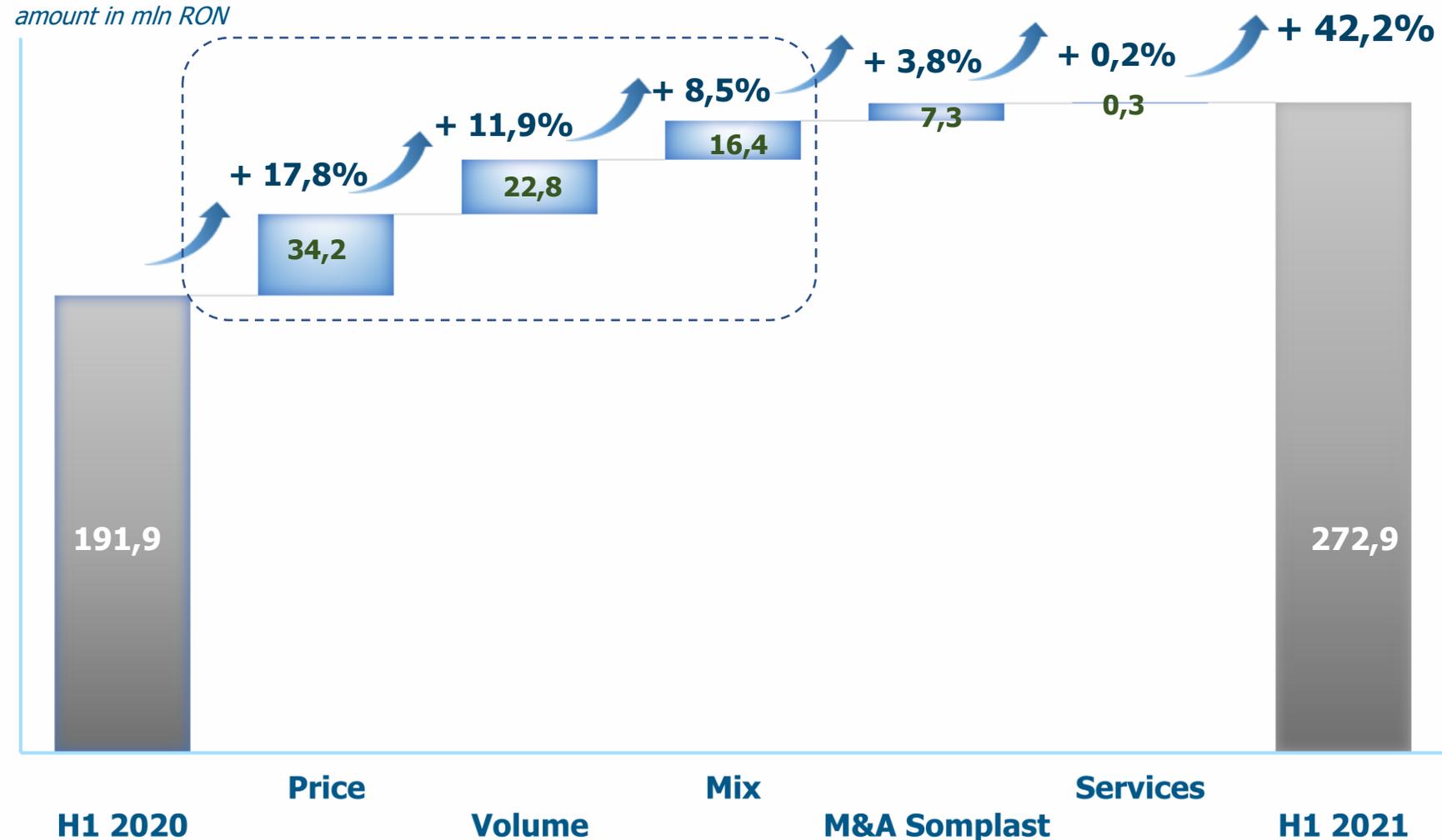
Net profit generated by the businesses in the current structure of the Group, excluding the impact of the Steel division and window profiles transactions.

- > The raw materials crisis, manifested not only through prices increase, but through lack of availability as well, determined the increase in demand for the recycled material that can successfully replace the virgin resource.
- > The Compounds business line was the best-performer in terms of growth compared to the reporting period. The turnover of RON 64,6 million, with an advance of 86%, was mainly backed by the sale of recycled compounds.
- > TeraGlass (Windows & Doors) registered significant improvement of the results, following an efficient management of costs and increase in volumes: EBITDA 4 times higher than the one in H1/2020. Foreign sales of approximately 70% of total, as a result of the strategy for entering the large European DIY networks.
- > For the biodegradable flexible packaging segment, the Group has under implementation the investment worth EUR 12 million in TeraBio Pack - a new production unit that will be operational starting the fourth quarter of this year.

<i>values in RON, thousand, if not stated otherwise</i>	TeraPlast Group Total	Installation (including micronized recycled)	Compounds (including recycled)	Windows and doors	Flexible packaging
Turnover 1H21	272.903	182.242	64.591	19.914	6.154
<i>Compared to 1H20</i>	<i>40%</i>	<i>26%</i>	<i>86%</i>	<i>29%</i>	<i>n/a</i>
EBITDA 1H21	42.743	29.601	11.772	1.368	39
<i>Compared to 1H20</i>	<i>47%</i>	<i>30%</i>	<i>97%</i>	<i>415%</i>	<i>n/a</i>
EBITDA Margin	15,7%	16,2%	18,2%	6,9%	0,6%

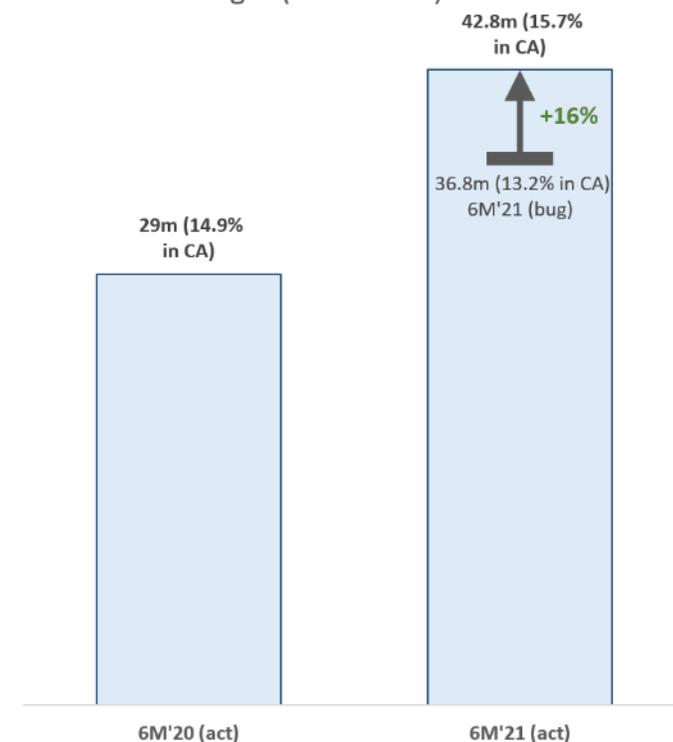
Group consolidated turnover evolution 1H/2021 vs 1H/2020

- ❑ Increase in sale price due to the raw materials' price increase.
- ❑ 20,4% increase in volumes (Volume + Mix).
- ❑ We developed the sustainable Gri(N) pipe made 100% of recycled material.
- ❑ The client portfolio for recycled material is under development.
- ❑ The increase in productivity, respectively in volumes of end-products sold by TeraGlass naturally led to the improvement of margins.



RON '000	Total Plastic			Total Plastic		
	FY'2020	FY'2021B	Var %	6M'20	6M'21	Var %
Net Sales	396,180	636,223	61%	195,245	272,903	40%
Other operating income	2,677	3,317	24%	1,239	1,391	12%
Total Operating Income	398,858	639,540	60%	196,484	274,294	40%
Raw materials, consumables & merchandise	(240,690)	(409,440)	70%	(120,854)	(173,633)	44%
Salaries and employee benefits	(49,867)	(66,511)	33%	(23,213)	(30,083)	30%
Amortization, impairments, provisions and FV ad	(20,331)	(21,808)	7%	(9,755)	(8,942)	-8%
Other operating expenses	(50,119)	(71,147)	42%	(21,986)	(27,876)	27%
Total Operating Costs	(361,008)	(568,905)	58%	(175,808)	(240,534)	37%
EBIT	37,850	70,635	87%	20,676	33,760	63%
EBITDA	54,455	89,126	64%	29,043	42,782	47%
EBITDA %	13.7%	14.0%		14.9%	15.7%	
Financial result, net	(4,149)	(4,768)	15%	(1,695)	(1,791)	6%
Profit before tax	33,701	65,867	95%	18,981	31,970	68%
Income tax expense	(3,999)	(10,688)	167%	(2,164)	(3,295)	52%
Net Profit	29,702	55,180	86%	16,817	28,674	71%
Net Profit %	7.5%	8.7%		8.6%	10.5%	

EBITDA Group Plastic 6M'21 vs 6M'20 vs 6M'21 Budget (in mil RON)



Net Sales 2021 vs 2021 (th RON)



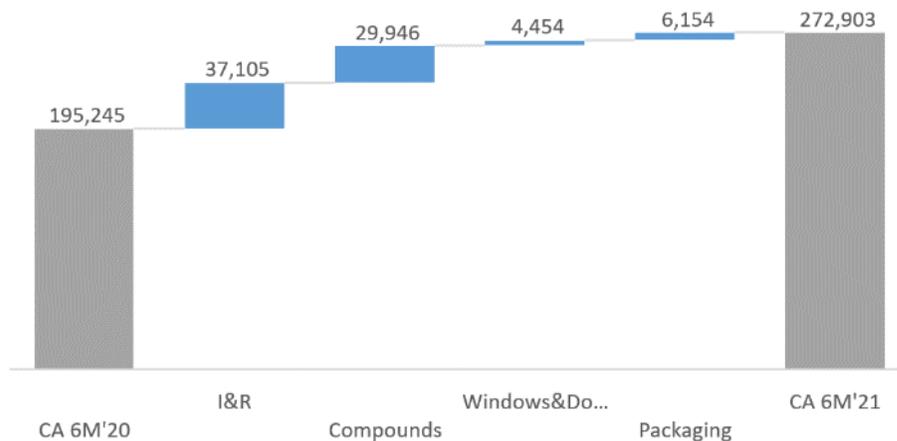
EBITDA 2021 vs 2021 (th RON)



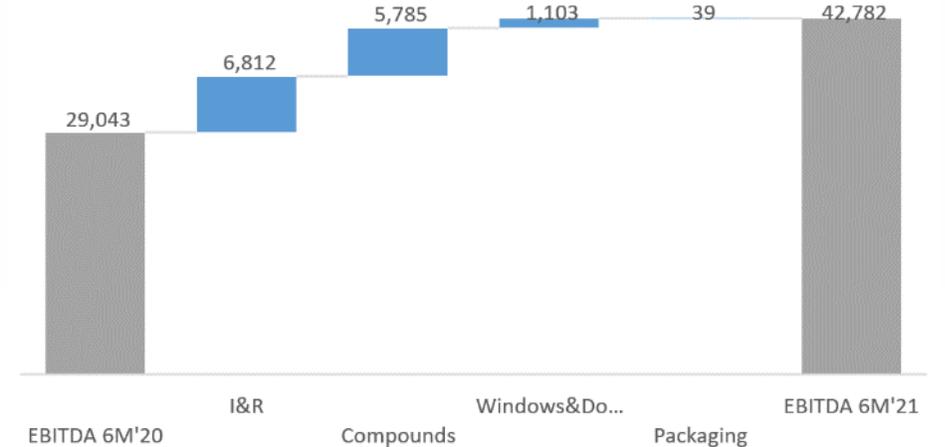
All amounts in thousand RON, unless otherwise stated

RON '000	Total Plastic			Installations and recycling			Compounds			Windows&Doors			Flexible Packaging		
	6M'20	6M'21	Var %	6M'20	6M'21	Var %	6M'20	6M'21	Var %	6M'20	6M'21	Var %	6M'20	6M'21	Var %
Net Sales	195,245	272,903	40%	145,138	182,242	26%	34,646	64,592	86%	15,461	19,915	29%	-	6,154	100%
Other operating income	1,239	1,391	12%	641	950	48%	181	4	-98%	417	410	-2%	-	27	100%
Total Operating Income	196,484	274,294	40%	145,778	183,193	26%	34,827	64,596	85%	15,878	20,324	28%	-	6,181	100%
Raw materials, consumables & merchandise	(120,854)	(173,633)	44%	(88,295)	(115,018)	30%	(23,952)	(42,949)	79%	(8,607)	(11,398)	32%	-	(4,268)	100%
Salaries and employee benefits	(23,213)	(30,083)	30%	(16,854)	(19,537)	16%	(2,495)	(5,188)	108%	(3,865)	(4,137)	7%	-	(1,221)	100%
Amortization, impairments, provisions and FV adj	(9,755)	(8,942)	-8%	(8,266)	(6,191)	-25%	(696)	(1,680)	141%	(793)	(893)	13%	-	(177)	100%
Other operating expenses	(21,986)	(27,876)	27%	(16,887)	(19,226)	14%	(2,237)	(4,686)	109%	(2,861)	(3,284)	15%	-	(681)	100%
Total Operating Costs	(175,808)	(240,534)	37%	(130,302)	(159,971)	23%	(29,380)	(54,503)	86%	(16,126)	(19,712)	22%	-	(6,347)	100%
EBIT	20,676	33,760	63%	15,477	23,221	50%	5,447	10,093	85%	(248)	612	-347%	-	(166)	100%
EBITDA	29,043	42,782	47%	22,789	29,601	30%	5,988	11,773	97%	266	1,369	415%	-	39	100%
EBITDA %	14.9%	15.7%		15.7%	16.2%		17.3%	18.2%		1.7%	6.9%		0.0%	0.6%	
Financial result, net	(1,695)	(1,791)	6%												
Profit before tax	18,981	31,970	68%												
Income tax expense	(2,164)	(3,295)	52%												
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Net Profit %	8.6%	10.5%													

Net Sales | Bridge 6M'20 - 6M'21 (in th RON)

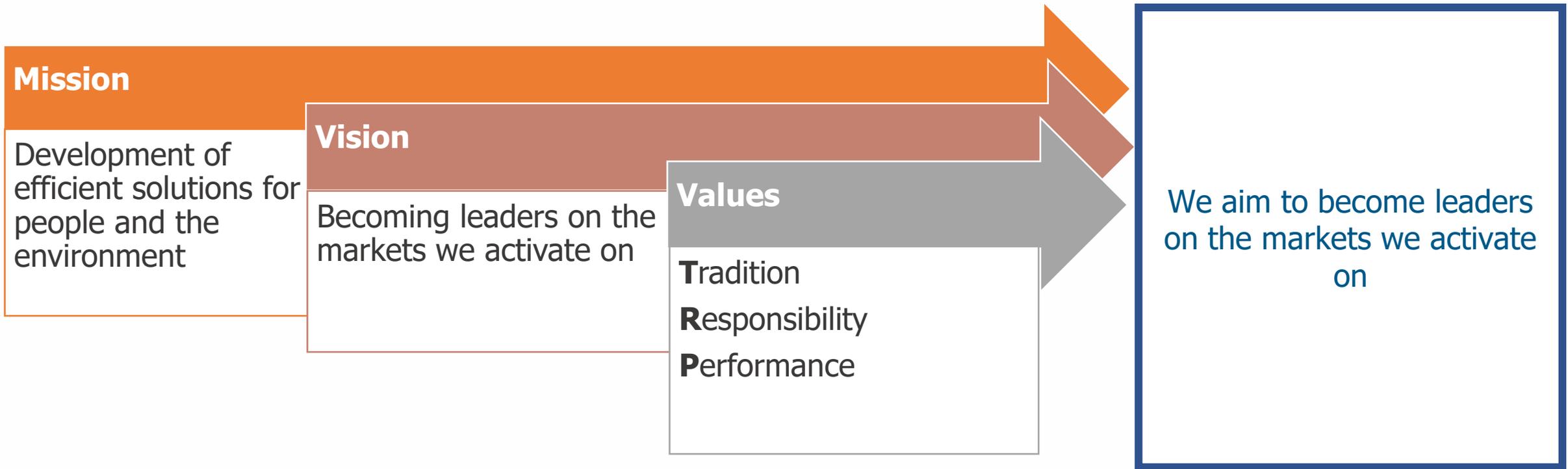


EBITDA | Bridge 6M'20 - 6M'21 (in th RON)



An ambitious view of the future





TeraPlast Group has **125 years of tradition** among which we innovated, reinvented ourselves, successfully adapting to the market context and overcoming any obstacle. During these years, we built a powerful brand and an efficient business model, we developed a united team and strong partnerships.

We promote a sustainable business where we **take responsibility** of our actions on medium and long term. Both inside and outside our organization we show a responsible behavior to the economic and social areas that we activate on, and we permanently seek solutions to protect the environment.

Our ambition is to reach **performance** at every level in everything we do. We study the market, anticipate, set high objectives and we are competitive. We use state of the art equipment and advanced technology and permanently invest in development and motivation programs.

We continue our development through both **investment** and **M&A**

2021/22 Objectives	Development plan
Consolidating or reaching the first position on the Group's segments active on the construction market	<ul style="list-style-type: none"> We actively study acquisition opportunities in Romania and abroad Completion of the production capacity expansion for the Installation business
Leader on the packaging market	<ul style="list-style-type: none"> We invest EUR 12 mln in TeraBio Pack which means an added production capacity of 5.000 tons/year on this segment
TeraGlass among top 10 windows & doors producers in Romania	<ul style="list-style-type: none"> Acceleration of the turnover and profitability increase
An equilibrated capital allocation policy	<ul style="list-style-type: none"> The net profit from the sale of the Steel division was directed to dividends worth RON 226,6 mln in total and share capital increase by RON 43,6 mln in total & towards the development of the group's businesses
EBITDA objective RON 130 mln	<ul style="list-style-type: none"> The sustainable and profitable increase of the Group turnover
We will create 200 jobs	<ul style="list-style-type: none"> As a result of the expansion projects already in implementation

Implementing our strategy implies a series of **risks and challenges**

Market wise

- The continuous pandemic context could restore the market uncertainty and can bring up problems in the logistic chain
- On POIM (Large Infrastructure Operational Program) Romania still has EUR 6 bln to spend in the next 2 years
- The start of the National Resilience and Recovery Program will bring additional budget for investment where our group can provide products

Business wise

- The most abrupt raw material price increase in the last 5 years that accelerates the recycling investments
- We implement productive projects worth EUR 32 mln
- We create 200 new jobs

52.9%



Of the resident population in Romania is connected to a sewerage network that has a treatment station*

300 mln EUR

is worth the flexible packaging market in Romania

54.2%



Of the resident population in Romania is connected to the sewerage network*

1,7 bln EUR

Budgeted for infrastructure through NPRR

35%



Of the resident population in Romania is connected to the national natural gas network**

860 mln EUR

Budgeted for residential & non-residential buildings through NPRR

70.9%



Of the resident population in Romania is connected to the public water supply system* (Bulgaria over 95%)



*Latest INS reports available for [sewerage](#) & [water](#) **Public data

+60%

TURNOVER**636,2 MLN. RON**

(2020: 396,2 MLN. RON)

+63%

EBITDA**89,1 MLN. RON**

(2020: 54,5 MLN. RON)

EBITDA MARGIN**14%**

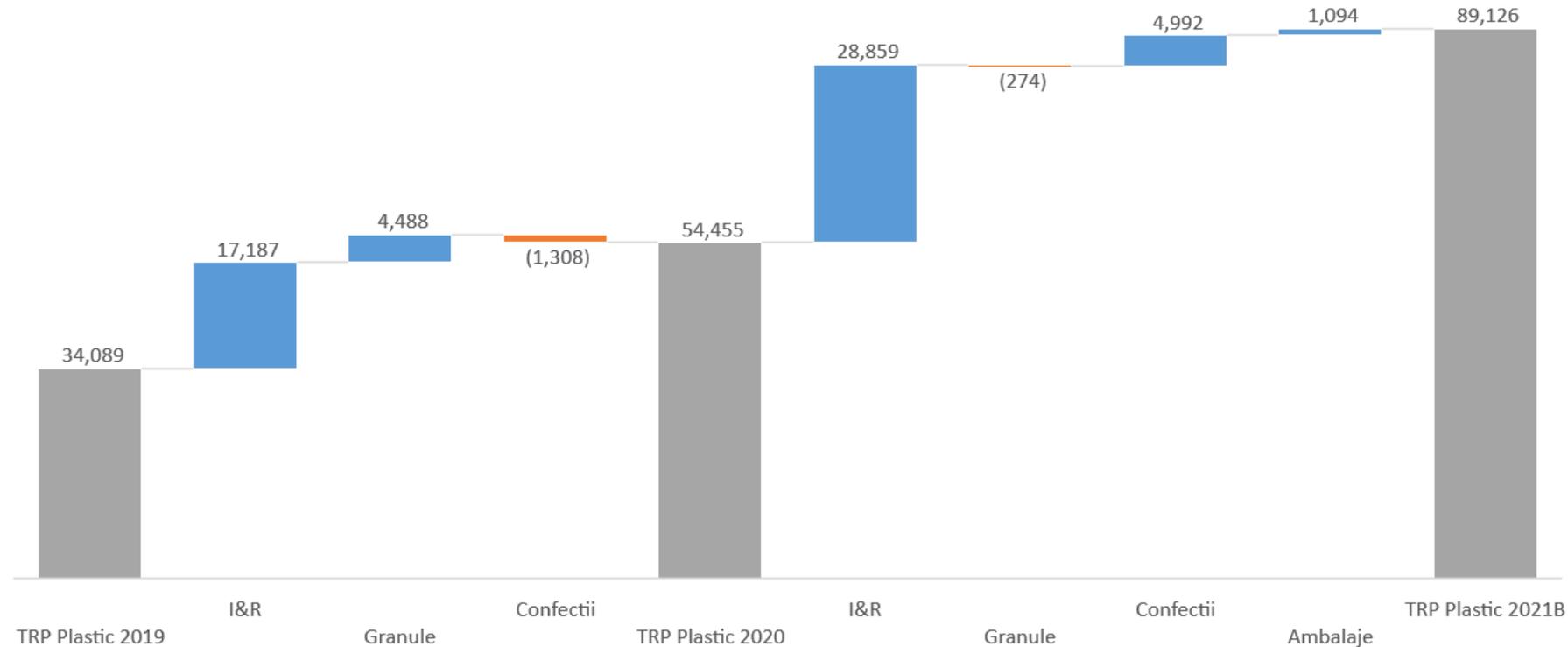
(2020: 13,7%)

- The growth in 2021 is based on:
 - Increase in production capacities for TeraPlast by implementing the state aid co-financed projects
 - Starting up the production of TeraBio Pack and integration of Somplast

The results from 2020 and the first half of 2021 highlight the profitability of the accelerated growth business model and reconfirm the development strategy of the TeraPlast Group on the markets it targets the leading position.

EBITDA Bridge 2019 – 2021

TeraPlast, Plastics Division



KEY POINTS

Plastics division

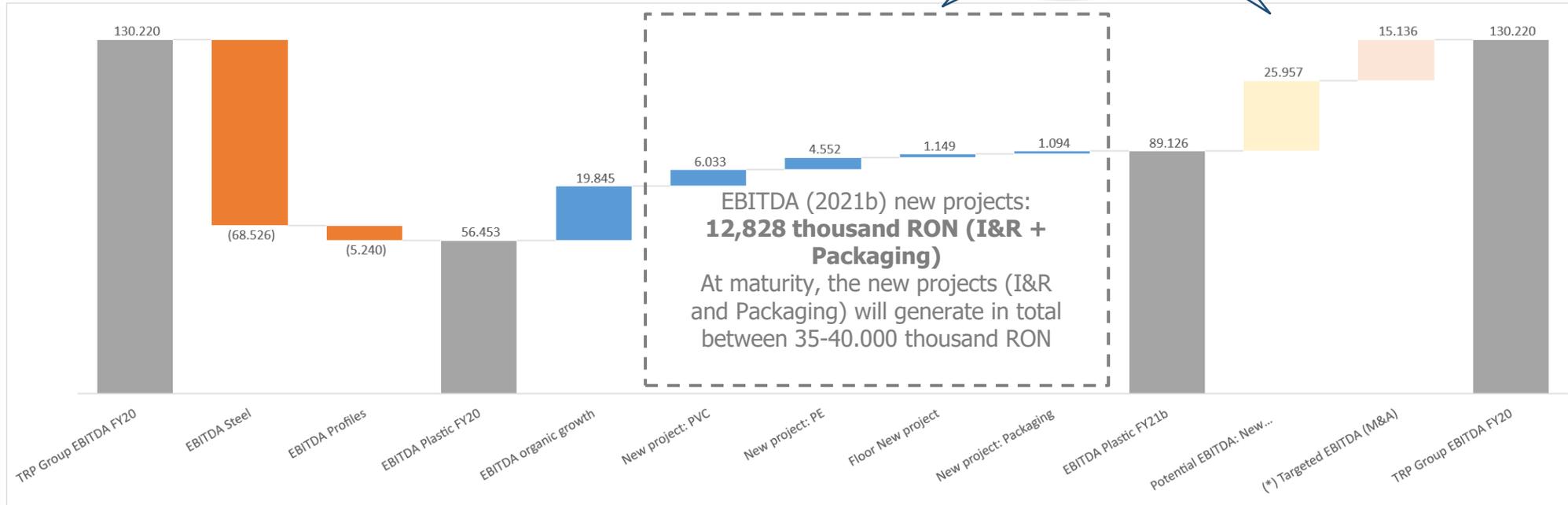
- Sustained profitability despite the crisis;
- EBITDA Margin of 13,7% for the plastics division is superior to Group average of 12%, prior the Steel division exit.
- The budgeted growth does not include potential M&As.

Amounts in RON thousand

The businesses that exited the Group contributed by more than half to the 2020 EBITDA and in the following period we will focus on Plastics operations to reach an EBITDA equal to the one in 2020 in a 2 years time.

The potential of the projects to generate EBITDA is in line with the Group's strategy; we expect an EBITDA margin between 12% and 16% from the new projects

The M&A activity that follows aims at identifying the best opportunities to carry out the set strategy



(*) excluding Somplast's contribution

TeraPlast: a company with outstanding performance on both the construction materials market and the capital market

2020 was the year with the best results for TeraPlast Group and the 1H21 results offer a good perspective on meeting the budget

The adaptation of our strategy has ambitious goals to become leaders on all market segments and at the same time it aims a sustainable development of the solution in the portfolio

The group aims the development of the business through both investment and accelerated organic growth in the favorable market context, and through M&A

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